

## BELLMON PROFILE

COUNTRY NAME: **Gambia (The)**

FISCAL YEAR: **2003**

MONETIZED  
TITLE II  
COMMODITIES **Vegetable oil**  
a market analysis has  
been conducted for  
wheat flour and rice

MONETIZATION  
PROGRAM **CRS/West Africa  
Regional Office**

DATE OF LAST  
BELLMON ANALYSIS **October 2001**

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CRS – Gambia – Sesame Seed Processing

### COUNTRY BACKGROUND INFORMATION

The Gambia is a small open economy, consisting of a narrow strip of land covering an area of 6000 km<sup>2</sup> and bordered by Senegal.

With a population of approximately 1.3 million and a per capita GNI of \$320<sup>1</sup>, The Gambia is classified as a Least-Developed Country (LDC) and a **Low-Income Food-Deficit Country (LIFDC)**<sup>2</sup>.

The Gambia's economy continues to be dominated primarily by the service industry and subsistence agriculture, which accounts for 52.3% and 34.9% of the GDP, respectively<sup>3</sup>. Despite positive economic growth, the socioeconomic indicators in the country remain poor. In 2002, The United Nations' Development Program (UNDP) ranked the Gambia as 160 out of 163 according to its Human Development Index (HDI)<sup>4</sup>, reflecting high rates of malnutrition, lack of access to potable water and widespread poverty. 59.3% of Gambia's population lives with less than \$1 per day.

As a small open economy, the Gambia's neighbors (Senegal, Guinea Bissau) have an important impact upon the domestic food system. Due to its dependence on imported goods, the government instituted a tariff policy favorable to imports. While sales and duty taxes represent 15%, it is half of what neighboring French speaking countries are imposing. As a result, Banjul became a port of import and re-export. The Gambia re-exports significant quantities of commodities to neighboring countries (Senegal, Guinea Bissau, Mali).

<sup>1</sup> World Bank "The Gambia at a Glance" [www.worldbank.org/data/](http://www.worldbank.org/data/) 9/18/02

<sup>2</sup> A Least Developed Country (LDC) is a UN General Assembly classification for "those low-income countries that are suffering from long-term handicaps to growth, in particular low levels of human resource development and severe structural weakness." A LIFDC is an FAO classification which includes all basic foodstuffs net importing countries with a per caput income below the level used by the World Bank to determine IDA eligibility

<sup>3</sup> World Bank *ibid.*

<sup>4</sup> PNUD "Rapport Mondial sur le Developpement Humain 2002"

## DISINCENTIVE DATA

The main foods consumed locally in The Gambia include rice, millet, sorghum, maize, rice, wheat, and vegetable oil. Table I shows whether each commodity is produced locally, imported and/or programmed.

Table 1: The Gambia Food Consumed, Produced, Imported, and Programmed

<b>Foods Consumed locally</b>	<b>Produced locally</b>	<b>Imported</b>	<b>Programmed</b>
<b>Corn</b>	X		
<b>Milk</b>	X	X	
<b>Millet</b>	X		
<b>Refined Vegetable Oil</b>		X	X
<b>Rice</b>	X	X	
<b>Sorghum</b>	X		
<b>Wheat</b>		X (Wheat flour)	

## CROP PRODUCTION

Table 2 – The Gambia– Gross Production of Main Food Crops (in thousand tons)

	1996/1997	11998/1999	1999/2000	2000/2001	2001/2002
Wheat	-	-	-	-	-
Paddy rice	25	26	29	33	35
Coarse grain	79	95	108	141	163

Source: GIEWS Food Supply situation and crop prospects in SSA Dec 2001, 2000, 1999, 1998, 1997

The share of cereal is estimated at 63% of total calorie intake<sup>5</sup>. Primary food crops are rice and coarse grain (millet, sorghum and maize) with significant production of groundnuts and more limited production of sesame. The Gambia's staple food production is not capable of meeting national demand, so The Gambia imports significant quantities of food to meet the needs of its population. The government has lifted price controls, and there are generally low tariffs on imports. Table 2 provides cereal production statistics for the period 1996/1997 to 2001/2002.

<sup>5</sup> GIEWS "Food Supply Situation and Crop Prospects in Sub-Saharan Africa" December 2001

## ANALYSIS OF VEGETABLE OIL MARKET

Table 3: The Gambia - Vegetable Oil Production, Imports, Consumption (000 MT)

Commodity	1997	1998	1999	2000	2001	Average
<b>Production</b>	N/A	N/A	N/A	N/A	N/A	
<b>Imports</b>	8,890	18,363	15,190	14,194	21,592 <sup>6</sup>	15,646
<b>Exports</b> (20% of Imports, Commercial Estimates)	1,778	3,673	3,038	2,839	4,318	3,129
<b>Available for Consumption</b>	7,112	14,690	12,151	11,355	17,274	12,516

Source : GOTG Central Statistics Department

Vegetable oil market

The vegetable oil market is composed of three elements:

- at-home production using locally grown groundnuts or other oil-producing crops. This production is done largely on a non-commercial basis and in response to perceived high prices for commercially available oil ;
- commercial production of peanut oil from Gambian-grown groundnuts in one factory in Banjul. The production (an estimated 17,000 MT last year) is mostly for exports, as international prices make the peanut oil more expensive than the cost of imported vegetable oil ;
- imports: customs and tax costs on imports to The Gambia are sufficiently below import costs in Senegal that local importers pay these charges on all imports and sell at competitive market prices to all buyers. The resulting volume of imports for re-exports and a competitive market probably provide Gambian consumers access to vegetable oil at prices lower than if the re-export volume was not taking place. However, quantifying which proportion of these imports which are consumed within The Gambia and which proportion are exported is difficult.
- Crudely processed oil is imported into The Gambia through Senegal with a reported origin of Guinea. This oil sells at a slight discount to vegetable oil imports and is more common up-country than in Banjul.

The total demand for vegetable oil in The Gambia is unclear. At-home and unofficial imports make total supply and demand estimates difficult without greater detail than is presently available.

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<sup>6</sup> GOTG Central Statistics Department has advised that this figure may be slightly high due to data collection problems and it will be revised if new data is available.

**ANALYSIS OF WHEAT FLOUR MARKET**

Table 4 – The Gambia – Wheat Flour Production, Imports and Consumption (000 MT)

<b>Commodity</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>Average</b>
<b>Production</b>	0	0	0	0	0	0
<b>Imports</b>	19,758	36,903	26,535	23,188	23,464	32,642
<b>Exports</b> (10% of imports based on commercial estimates)	1,976	3,690	2,654	2,319	2,346	2,597
<b>Available for Consumption</b>	17,782	33,213	23,882	20,869	21,118	23,373

Source : GOTG Central Statistics Department

Table 4 details theoretical supply and demand for wheat flour in the Gambia. Estimates of exports range from 10 to 30% of imports. The Baker's Association indicates that the level of re-exports is relatively small and likely only destined for the parts of Senegal south of The Gambia. As a result, a 10% re-export figure is used in calculating the table.

Wheat flour consumption

The demand for bread is increasing. The consumption of bread is directly related to the standard of living – the standard of living in urban areas being higher, the consumption of bread is also higher.

Wheat flour imports

While imported quantities triple during the Ramadan month, imports of bread flour are otherwise constant throughout the year, as flour is a perishable product that cannot be stored more than two months.

## ANALYSIS OF RICE MARKET

Table 5: The Gambia – Rice Production, Imports and Consumption

Year	1997	1998	1999	2000	2001	4-yr Average
<b>Production</b> (paddy rice @ .65; Milled rice @ .85 Seed/feed/loss) <sup>7</sup>	10,050	7,208	14,719	17,488		11,987
<b>Imports</b>	60,800	96,924	99,000	99,099		85,169
<b>Exports</b> (Estimated at 50% of imports based on commercial sources)	18,240	29,077	29,700	29,730		25,551
<b>Available for Consumption</b>	52,610	75,055	84,019	86,858		71,605

Source : GOTG Central Statistics Department

### Rice market

Despite the GoTG encouragement, rice production is apparently plagued by the same problems which affect agriculture in general. In addition, some swamp rice production is being affected by salt water intrusion. There is a strong prospect that rice imports for local consumption will continue to increase in response to population growths and increased effective demand (if economic growth continues).

Part of the rice imports is re-exported to neighboring countries. These amounts are estimated at 30% of total imports. However, the Senegalese government recently adopted new taxes to limit imports and transits from the Gambia.

## STORAGE DATA:

### Port Facilities

The Gambia is served by a relatively small but active and reportedly fairly efficient port in Banjul. The port handles a combination of containers, bulk and break-bulk cargos, including 234,363 containers, approximately 103,000 MT of petroleum products, 9,027 vehicles and 95,310 MT of bulk cement in 2001. Exports through the port are lower, with groundnuts and products (including peanut oil in bulk) being the major exports.

The quay of the port has a total length of 750 meters, 38,000 square meters of uncovered area, and a covered storage area of 3,000 square meters. The draft is between 8.5 and 10 meters, depending on the tide. The port is actually capable of handling up to 1.5 million tons of cargo annually. The daily discharging capacity of Banjul port is more than 1,000 MTs.

Handling capacity at the port of Banjul is estimated at 1,000 to 1,200 MT/day. According to importers and clearing agents interviewed during this market investigation, pilferage at the port is not of concern; nor is security. There is no congestion at the port.

<sup>7</sup> Data from Follow-up to World Food Summit and 2000/2001 National Agricultural Sample Survey (NAAS)

### Storage Facilities

Storage capacity at the port of Banjul consists of one covered warehouse plus and open-air storage. There are also three bonded warehouses at the port, and two of them are rented to a groundnut-processing unit. It should be noted that importers have their own warehouses and there is no need to store food commodities at the port. Also, private warehouses are available for rent outside the port.

At the port of Banjul, the storage capacity is limited to 3,000 square meters of covered warehouse and three bonded warehouses two of them have been leased for processing and packaging of vegetable oil (this unit is not yet operating). Inside the port, there is sufficient uncovered space for storage.

For storage outside the port, the capacity consists of private storage that can be rented if necessary. CRS has three warehouses, which can accommodate up to 50,000 bags or 2,500 MT. WFP has storage capacity of up to 10,000 MT.

### **Transport Facilities**

Sufficient transport capacity exists within the country to move monetized commodities throughout the country and supply various geographic markets.